



City of Arts & Innovation

News Release

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Riverside Redevelopment Agency Makes \$3.5 Million Payment to Cover State Mandated Raid of Local Funds

Payment, part of \$2.05 billion raid of local redevelopment dollars passed by State Legislature in 2009, will result in loss of local jobs and stunt economic growth.

City of Riverside, CA – The Riverside Redevelopment Agency has made its second mandated payment to pay its portion of a \$2.05 billion State raid of local redevelopment funds passed by the State Legislature in 2009. The payment of \$3,509,392 is part of \$350 million paid on May 10 by hundreds of redevelopment agencies statewide to fund State obligations. Last year, Riverside paid \$17 million towards a total of \$1.7 billion in statewide redevelopment funds that were used to cover State budget spending.

“At a time when our local economy is still in recovery, we’re once again sending vital local funds that create jobs and fuel economic growth to instead, solve Sacramento’s chronic budget mess,” said City Manager Brad Hudson. “These funds could have otherwise fueled the creation of hundreds of jobs in our community that we desperately need.”

Redevelopment plays a major role in the revitalization of our community and as a direct result of this payment and the Governor’s continued efforts to eliminate redevelopment; our City faces the following issues:

- Lack of funding for public infrastructure and public facilities which promote safety and improve the quality of life for residents of Riverside, particularly when the State has also repeatedly taken local transportation dollars.
- A slower economic recovery due to the reduced ability to create new jobs.
- Without funds to turn-around blighted areas, they will continue to deteriorate and bring down the economy.

This payment comes at a time when Governor Brown is seeking to abolish redevelopment agencies altogether. A broad coalition of local government, business and labor has successfully fought the proposal and, thus far, the Governor has failed to garner enough votes to eliminate redevelopment agencies. The coalition warns that abolishing redevelopment agencies would result in the loss of more than 300,000 private-sector jobs and billions in economic activity annually statewide.

“Redevelopment is a vital tool to create local jobs, reduce crime, build affordable housing, clean up contaminated toxic sites, and otherwise transform rundown, blighted communities in need,” said John Shirey, executive director, California Redevelopment Association. “Redevelopment is one of the only tools local governments have to improve the local economy and put people to work. Continued State raids of local funds are not only illegal, but they make no fiscal sense at a time when we should be emphasizing job-creation.”

The mandated payment goes against the voter approved Proposition 22, The Local Taxpayer, Public Safety and Transportation Protection Act (Ban on State Borrowing from Local Governments), which was passed in November 2010. The purpose of the proposition is to protect existing funds that are allocated to local government, public safety and transportation; therefore, prohibiting the State from raiding these funds.

For more information about the Governor’s proposal and the coalition fighting to stop this illegal and fiscally reckless proposal, visit ProtectOurLocalEconomy.com.

For more information about Riverside’s Redevelopment efforts and the role it plays in revitalizing the community, visit RiversideCa.gov/Redev.

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